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9
10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA
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15 JITRADE, INC., a California
Corporation;

16 Plaintiff,

17 vs.

18 GRAND DISTRIBUTION, INC. d/b/a
19 LOLLICOUTURE, a California
20 corporation; ZONGSHOU HU, an
individual; and DOES 1-10, inclusive,

21 Defendants.
22

Case Number: 2:17-cv-4572

PLAINTIFF'S COMPLAINT FOR:

1. COPYRIGHT INFRINGEMENT
2. VICARIOUS COPYRIGHT
INFRINGEMENT
3. CONTRIBUTORY COPYRIGHT
INFRINGEMENT

Jury Trial Demanded

23 Plaintiff JITRADE, INC. ("Plaintiff" or "JITRADE") by and through its
24 undersigned attorneys, hereby prays to this honorable Court for relief and remedy
25 based on the following:
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27
28

INTRODUCTION

Plaintiff is a California-based company engaged in the apparel industry as a textile converter of imported and domestic fabrications. Plaintiff creates, or purchases and obtains, exclusive rights to unique two-dimensional graphic artworks for use on textiles and garments, and those textiles and garments are transacted primarily in the fashion industry. Plaintiff owns these designs in exclusivity and makes sales of products bearing these designs for profit. Plaintiff's business is predicated on its ownership of these designs and it spends a considerable amount of time and resources creating and obtaining top-quality, marketable and aesthetically-appealing designs. Customers of Plaintiff, including possibly DOE defendants named herein, take design samples with the understanding and agreement that they will only utilize Plaintiff to reproduce said designs should they wish to do so, and will not seek to make minor changes to Plaintiff's proprietary work to reproduce the same elsewhere, yet use those designs in furtherance of their business in violation of both their contractual agreement with Plaintiff and Plaintiff's copyrights. No other party is authorized to make sales of product bearing Plaintiff's proprietary designs without express permission from Plaintiff. This action is brought to recover damages for direct, vicarious and contributory copyright infringement arising out of the misappropriation of Plaintiff's exclusive designs by the Defendants, and each of them.

JURISDICTION AND VENUE

1. This action arises under the Copyright Act of 1976, Title 17 U.S.C. § 101 *et seq.*
2. This Court has federal question jurisdiction under 28 U.S.C. §§ 1331, 1338(a) and (b).

- 1 3. Venue in this judicial district is proper under 28 U.S.C. §§ 1391(c) and 1400(a)
2 in that this is the judicial district in which a substantial part of the acts and
3 omissions giving rise to the claims occurred.

4
5 **PARTIES**

- 6 4. JITRADE, INC. (“Plaintiff”) is a corporation organized and existing under the
7 laws of the State of California with its principal place of business in the County
8 of Los Angeles, at 3435 Wilshire Blvd., Suite 406, Los Angeles, CA 90010.
- 9 5. Plaintiff is informed and believes and thereon alleges that Defendant GRAND
10 DISTRIBUTION, INC. d/b/a LOLLICOUTURE (“GRAND
11 DISTRIBUTION”), is, and at all times herein mentioned was, a corporation
12 organized and existing under the laws of California and doing business in
13 California, with its principal place of business at 15288 El Prado Rd, Chino,
14 CA 91710.
- 15 6. Plaintiff is informed and believes and thereon alleges that Defendant
16 ZONGSHOU HU (“ZONGSHOU HU”), is, and at all times herein mentioned
17 was, an individual residing in Los Angeles, California. Plaintiff is informed and
18 believes and thereon alleges that Defendant ZONGSHOU HU is, and at all
19 times herein mentioned was, the owner and principal of GRAND
20 DISTRIBUTION, INC. d/b/a LOLLICOUTURE with its principal place of
21 business at 15288 El Prado Rd, Chino, CA 91710.
- 22 7. Named Defendants, and Does 1-10, may be collectively referred to as
23 “Defendants.”
- 24 8. Plaintiff is informed and believes and thereon alleges that some of Defendants
25 Does 1 through 3, inclusive, are manufacturers and/or vendors of garments to
26 Defendant, which DOE Defendants have manufactured and/or supplied and are
27 manufacturing and/or supplying garments comprised of fabric printed with
28 Plaintiff’s copyrighted design(s) (as hereinafter defined) without Plaintiff’s

1 knowledge or consent or have contributed to said infringement. The true
2 names, whether corporate, individual or otherwise, and capacities of defendants
3 sued herein as Does 1 through 3 are presently unknown to Plaintiff at this time,
4 and therefore, Plaintiff sues said defendants by such fictitious names. Plaintiff
5 will seek leave to amend this complaint to allege their true names and capacities
6 when the same have been ascertained. Plaintiff is informed and believes, and
7 based thereon alleges, that each of defendants designated as a DOE is
8 responsible in some manner for the events alleged herein and the damages
9 caused thereby.

10 9. Defendants DOES 4 through 10, inclusive, are other parties not yet identified
11 who have infringed Plaintiff's copyrights, have contributed to the infringement
12 of Plaintiff's copyrights, or have engaged in one or more of the wrongful
13 practices alleged herein. The true names, whether corporate, individual or
14 otherwise, and capacities of defendants sued herein as Does 4 through 10 are
15 presently unknown to Plaintiff at this time, and therefore, Plaintiff sues said
16 defendants by such fictitious names. Plaintiff will seek leave to amend this
17 complaint to allege their true names and capacities when the same have been
18 ascertained.

19 10. Plaintiff is informed and believes and thereupon alleges that at all times
20 relevant hereto each of Defendants acted in concert with each other, was the
21 agent, affiliate, officer, director, manager, principal, alter-ego, and/or employee
22 of the remaining defendants and was at all times acting within the scope of such
23 agency, affiliation, alter-ego relationship and/or employment; and actively
24 participated in or subsequently ratified and adopted, or both, each and all of the
25 acts or conducts alleged, with full knowledge of all the facts and circumstances,
26 including without limitation to full knowledge of each and every wrongful
27 conducts and Plaintiff's damages caused therefrom.

CLAIMS RELATED TO DESIGN JIC-28

11. Plaintiff is the owner and author of a two-dimensional artwork under Title of Work “JIC-28” titled “SND1411_5” (“Subject Design”). (Exhibit A).
12. Plaintiff applied for a copyright from the United States Copyright Office for the Subject Design and was granted Registration VA 1-949-299 effective on February 06, 2015. (Exhibit B).
13. Plaintiff formatted the Subject Design for use on textiles, sampled the Subject Design, and negotiated sales of fabric bearing the Subject Design.
14. Plaintiff is informed and believes and thereon alleges that Defendants, each of them, had access to the Subject Designs, including without limitation, through: (a) access to Plaintiff’s showroom and/or design library; (b) access to illegally distributed copies of the Subject Designs by third-party vendors and/or DOE Defendants, including without limitation international and/or overseas converters and printing mills; (c) access to Plaintiff’s strike-offs and samples; and (d) access to garments in the marketplace manufactured with lawfully printed fabric bearing the Subject Designs.
15. Plaintiff is informed and believes and thereon alleges that, without Plaintiff’s authorization, Defendant GRAND DISTRIBUTION, INC. purchased, sold, marketed, advertised, manufactured, caused to be manufactured, imported and/or distributed fabric and/or garments comprised of fabric featuring a design which is identical, or substantially similar to, the Subject Design. A true and correct copy of such a garment is attached hereto as Exhibit C. Said garments include but are not limited to garments sold by GRAND DISTRIBUTION, INC.
16. At various times Defendant GRAND DISTRIBUTION, INC. owned and controlled offline and/or online retail stores, and each, Plaintiff’s investigation revealed that garments comprised of fabric bearing the Subject Design were

1 being offered for sale, garments which were manufactured and/or imported
2 under the direction of the Defendants, and each of them.

3 17. Plaintiff is informed and believes and thereon alleges that, without Plaintiff's
4 authorization, Defendant ZONGSHOU HU purchased, sold, marketed,
5 advertised, manufactured, caused to be manufactured, imported and/or
6 distributed fabric and/or garments comprised of fabric featuring a design which
7 is identical, or substantially similar to, the Subject Design. A true and correct
8 copy of such a garment is attached hereto as Exhibit C. Said garments include
9 but are not limited to garments sold by ZONGSHOU HU.

10 18. At various times Defendant ZONGSHOU HU owned and controlled offline
11 and/or online retail stores, and each, Plaintiff's investigation revealed that
12 garments comprised of fabric bearing the Subject Design were being offered for
13 sale, garments which were manufactured and/or imported under the direction of
14 the Defendants, and each of them.

15 19. None of the aforementioned transactions were authorized by Plaintiff, and all
16 were in violation of Plaintiff's intellectual property rights.

17
18 **CLAIMS RELATED TO DESIGN SND1505_32A**

19 20. Plaintiff is the owner and author of a two-dimensional artwork under Title of
20 Work "SND1505_32A" ("Subject Design"). (Exhibit D).

21 21. Plaintiff applied for a copyright from the United States Copyright Office for the
22 Subject Design and was granted Registration VA 1-985-545 effective on July
23 21, 2015. (Exhibit E).

24 22. Plaintiff formatted the Subject Design for use on textiles, sampled the Subject
25 Design, and negotiated sales of fabric bearing the Subject Design.

26 23. Plaintiff is informed and believes and thereon alleges that Defendants, each of
27 them, had access to the Subject Designs, including without limitation, through:
28 (a) access to Plaintiff's showroom and/or design library; (b) access to illegally

1 distributed copies of the Subject Designs by third-party vendors and/or DOE
2 Defendants, including without limitation international and/or overseas
3 converters and printing mills; (c) access to Plaintiff's strike-offs and samples;
4 and (d) access to garments in the marketplace manufactured with lawfully
5 printed fabric bearing the Subject Designs.

6 24. Plaintiff is informed and believes and thereon alleges that, without Plaintiff's
7 authorization, Defendant GRAND DISTRIBUTION, INC. purchased, sold,
8 marketed, advertised, manufactured, caused to be manufactured, imported
9 and/or distributed fabric and/or garments comprised of fabric featuring a design
10 which is identical, or substantially similar to, the Subject Design. A true and
11 correct copy of such a garment is attached hereto as Exhibit F. Said garments
12 include but are not limited to garments sold by GRAND DISTRIBUTION,
13 INC.

14 25. At various times Defendant GRAND DISTRIBUTION, INC. owned and
15 controlled offline and/or online retail stores, and each, Plaintiff's investigation
16 revealed that garments comprised of fabric bearing the Subject Design were
17 being offered for sale, garments which were manufactured and/or imported
18 under the direction of the Defendants, and each of them.

19 26. Plaintiff is informed and believes and thereon alleges that, without Plaintiff's
20 authorization, Defendant ZONGSHOU HU purchased, sold, marketed,
21 advertised, manufactured, caused to be manufactured, imported and/or
22 distributed fabric and/or garments comprised of fabric featuring a design which
23 is identical, or substantially similar to, the Subject Design. A true and correct
24 copy of such a garment is attached hereto as Exhibit F. Said garments include
25 but are not limited to garments sold by ZONGSHOU HU.

26 27. At various times Defendant ZONGSHOU HU owned and controlled offline
27 and/or online retail stores, and each, Plaintiff's investigation revealed that
28 garments comprised of fabric bearing the Subject Design were being offered for

1 sale, garments which were manufactured and/or imported under the direction of
2 the Defendants, and each of them.

3 28. None of the aforementioned transactions were authorized by Plaintiff, and all
4 were in violation of Plaintiff's intellectual property rights.

5
6 **CLAIMS RELATED TO DESIGN JIC-68**

7 29. Plaintiff is the owner and author of a two-dimensional artwork under Title of
8 Work "JIC-68" titled "SND1507_8B" ("Subject Design"). (Exhibit G).

9 30. Plaintiff applied for a copyright from the United States Copyright Office for the
10 Subject Design and was granted Registration VA 1-976-102 effective on July
11 10, 2015. (Exhibit H).

12 31. Plaintiff formatted the Subject Design for use on textiles, sampled the Subject
13 Design, and negotiated sales of fabric bearing the Subject Design.

14 32. Plaintiff is informed and believes and thereon alleges that Defendants, each of
15 them, had access to the Subject Designs, including without limitation, through:
16 (a) access to Plaintiff's showroom and/or design library; (b) access to illegally
17 distributed copies of the Subject Designs by third-party vendors and/or DOE
18 Defendants, including without limitation international and/or overseas
19 converters and printing mills; (c) access to Plaintiff's strike-offs and samples;
20 and (d) access to garments in the marketplace manufactured with lawfully
21 printed fabric bearing the Subject Designs.

22 33. Plaintiff is informed and believes and thereon alleges that, without Plaintiff's
23 authorization, Defendant GRAND DISTRIBUTION, INC. purchased, sold,
24 marketed, advertised, manufactured, caused to be manufactured, imported
25 and/or distributed fabric and/or garments comprised of fabric featuring a design
26 which is identical, or substantially similar to, the Subject Design. A true and
27 correct copy of such a garment is attached hereto as Exhibit I. Said garments
28

1 include but are not limited to garments sold by GRAND DISTRIBUTION,
2 INC.

3 34. At various times Defendant GRAND DISTRIBUTION, INC. owned and
4 controlled offline and/or online retail stores, and each, Plaintiff's investigation
5 revealed that garments comprised of fabric bearing the Subject Design were
6 being offered for sale, garments which were manufactured and/or imported
7 under the direction of the Defendants, and each of them.

8 35. Plaintiff is informed and believes and thereon alleges that, without Plaintiff's
9 authorization, Defendant ZONGSHOU HU purchased, sold, marketed,
10 advertised, manufactured, caused to be manufactured, imported and/or
11 distributed fabric and/or garments comprised of fabric featuring a design which
12 is identical, or substantially similar to, the Subject Design. A true and correct
13 copy of such a garment is attached hereto as Exhibit I. Said garments include
14 but are not limited to garments sold by ZONGSHOU HU.

15 36. At various times Defendant ZONGSHOU HU owned and controlled offline
16 and/or online retail stores, and each, Plaintiff's investigation revealed that
17 garments comprised of fabric bearing the Subject Design were being offered for
18 sale, garments which were manufactured and/or imported under the direction of
19 the Defendants, and each of them.

20 37. None of the aforementioned transactions were authorized by Plaintiff, and all
21 were in violation of Plaintiff's intellectual property rights.

22
23 **CLAIMS RELATED TO DESIGN JIC-83**

24 38. Plaintiff is the owner and author of a two-dimensional artwork under Title of
25 Work "JIC-83" titled "SND1607_9A" ("Subject Design"). (Exhibit J).

26 39. Plaintiff applied for a copyright from the United States Copyright Office for the
27 Subject Design and was granted Registration No. *_APPLAICATION_* on
28 August 4, 2016 (Exhibit K).

1 40. Plaintiff formatted the Subject Design for use on textiles, sampled the Subject
2 Design, and negotiated sales of fabric bearing the Subject Design.

3 41. Plaintiff is informed and believes and thereon alleges that Defendants, each of
4 them, had access to the Subject Designs, including without limitation, through:
5 (a) access to Plaintiff's showroom and/or design library; (b) access to illegally
6 distributed copies of the Subject Designs by third-party vendors and/or DOE
7 Defendants, including without limitation international and/or overseas
8 converters and printing mills; (c) access to Plaintiff's strike-offs and samples;
9 and (d) access to garments in the marketplace manufactured with lawfully
10 printed fabric bearing the Subject Designs.

11 42. Plaintiff is informed and believes and thereon alleges that, without Plaintiff's
12 authorization, Defendant GRAND DISTRIBUTION, INC. purchased, sold,
13 marketed, advertised, manufactured, caused to be manufactured, imported
14 and/or distributed fabric and/or garments comprised of fabric featuring a design
15 which is identical, or substantially similar to, the Subject Design. A true and
16 correct copy of such a garment is attached hereto as Exhibit L. Said garments
17 include but are not limited to garments sold by GRAND DISTRIBUTION,
18 INC.

19 43. At various times Defendant GRAND DISTRIBUTION, INC. owned and
20 controlled offline and/or online retail stores, and each, Plaintiff's investigation
21 revealed that garments comprised of fabric bearing the Subject Design were
22 being offered for sale, garments which were manufactured and/or imported
23 under the direction of the Defendants, and each of them.

24 44. Plaintiff is informed and believes and thereon alleges that, without Plaintiff's
25 authorization, Defendant ZONGSHOU HU purchased, sold, marketed,
26 advertised, manufactured, caused to be manufactured, imported and/or
27 distributed fabric and/or garments comprised of fabric featuring a design which
28 is identical, or substantially similar to, the Subject Design. A true and correct

1 copy of such a garment is attached hereto as Exhibit L. Said garments include
2 but are not limited to garments sold by ZONGSHOU HU.

3 45. At various times Defendant ZONGSHOU HU owned and controlled offline
4 and/or online retail stores, and each, Plaintiff's investigation revealed that
5 garments comprised of fabric bearing the Subject Design were being offered for
6 sale, garments which were manufactured and/or imported under the direction of
7 the Defendants, and each of them.

8 46. None of the aforementioned transactions were authorized by Plaintiff, and all
9 were in violation of Plaintiff's intellectual property rights.

10
11 **FIRST CLAIM FOR RELIEF**

12 (For Copyright Infringement – Against all Defendants, and Each)

13 47. Plaintiff repeats, re-alleges and incorporates herein by reference as though fully
14 set forth the allegations contained in Paragraphs 1 through 46, inclusive, of this
15 Complaint.

16 48. Plaintiff is informed and believes and thereon alleges that Defendants, and each
17 of them, accessed the Subject Design through, without limitation, the following:
18 (a) access to Plaintiff's design library; (b) access to authorized or unauthorized
19 reproductions in the possession of other vendors and/or DOE Defendants; and
20 (c) access to Plaintiff's strike-offs, swatches, paper CADs and samples.

21 49. Plaintiff is informed and believes and thereon alleges that Defendants, and each
22 of them, infringed Plaintiff's copyright by importing, creating, marketing,
23 advertising, making, and/or developing directly infringing and/or derivative
24 works from the Subject Design and by importing, producing, distributing and/or
25 selling infringing garments through a nationwide network of retail stores,
26 catalogues, and online websites.

27 50. Due to Defendants' acts of infringement, Plaintiff has suffered substantial
28 damages to its business in an amount to be established at trial.

1 51. Due to Defendants' acts of infringement, Plaintiff has suffered general and
2 special damages to its business in an amount to be established at trial.

3 52. Due to Defendants' acts of copyright infringement as alleged herein,
4 Defendants, and each of them, have obtained direct and indirect profits they
5 would not otherwise have realized but for their infringement of the Subject
6 Design. As such, Plaintiff is entitled to disgorgement of Defendants' profits
7 directly and indirectly attributable to Defendants' infringement of the Subject
8 Design in an amount to be established at trial.

9 53. Plaintiff is informed and believes and thereon alleges that Defendants, and each
10 of them, have committed acts of infringement alleged herein with actual or
11 constructive knowledge of Plaintiff's rights such that Plaintiff is entitled to a
12 finding of willful infringement.

13
14 **SECOND CLAIM FOR RELIEF**

15 (For Vicarious and/or Contributory Copyright Infringement – Against All
16 Defendants)

17 54. Plaintiff repeats, re-alleges and incorporates herein by reference as though fully
18 set forth the allegations contained in Paragraphs 1 through 53, inclusive, of this
19 Complaint.

20 55. Plaintiff is informed and believes and thereon alleges that Defendants, and each
21 of them, knowingly induced, participated in, aided and abetted in and
22 resultantly profited from the illegal reproduction, importation, purchase,
23 marketing, advertisement, distribution and/or sales of product featuring the
24 Subject Design as alleged herein above.

25 56. Plaintiff is informed and believes and thereon alleges that Defendants, and each
26 of them, are vicariously liable for the infringement alleged herein because they
27 had the right and ability to supervise the infringing conduct and because they
28 had a direct financial interest in the infringing product.

1 57.By reason of the Defendants', and each of their, acts of contributory and/or
 2 vicarious infringement as alleged above, Plaintiff has suffered and will continue
 3 to suffer substantial damages to its business in an amount to be established at
 4 trial, as well as additional general and special damages in an amount to be
 5 established at trial.

6 58.Due to Defendants' acts of contributory and/or vicarious copyright infringement
 7 as alleged herein, Defendants, and each of them, have obtained direct and
 8 indirect profits they would have not otherwise realized bur for their
 9 infringement of the Subject Design. As such, Plaintiff is entitled to
 10 disgorgement of Defendants' profits directly and indirectly attributable to
 11 Defendants' infringement of the Subject Design, an amount to be established at
 12 trial.

13 59.Plaintiff is informed and believes and thereon alleges that Defendants, and each
 14 of them, have committed acts of infringement alleged herein with actual or
 15 constructive knowledge of Plaintiff's rights such that Plaintiff is entitled to a
 16 finding of willful infringement.

17 18 **THIRD CLAIM FOR RELIEF**

19 (Contributory Copyright Infringement– Against All Defendants)

20 60.Plaintiff repeats, re-alleges and incorporates herein by reference as though fully
 21 set forth the allegations contained hereforeto, inclusive, of this Complaint.

22 61.Plaintiff is informed and believes and thereon alleges that Defendants, and each
 23 of them, knowingly induced, caused, materially contributed to, participated in,
 24 encourages, aided and abetted in and resultantly profited from the illegal
 25 reproduction, importation, purchase, marketing, advertising, distribution and/or
 26 sales of product featuring the Subject Design as alleged herein above.

27 62.By reason of the Defendants', and each of their, acts of contributory copyright
 28 infringement as alleged above, Plaintiff has suffered and will continue to suffer

substantial damages to its business in an amount to established at trial, as well as additional general and special damages in an amount to be established at trial.

63. Due to Defendants' acts of contributory copyright infringement as alleged herein, Defendants, and each of them, have obtained direct and indirect profits they would have not otherwise realized but for their infringement of the Subject Design. As such, Plaintiff is entitled to disgorgement of Defendants' profits directly and indirectly attributable to Defendants' infringement of the Subject Design, an amount to be established at trial.

64. Plaintiff is informed and believes and thereon alleges that Defendants, and each of them, have committed acts of infringement alleged herein with actual or constructive knowledge of Plaintiff's rights such that Plaintiff is entitled to a finding of willful infringement.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against all Defendants as follows:

Against All Defendants

With respect to Each Claim for Relief:

1. That Defendants, their agents and servants be enjoined from infringing Plaintiff's copyrights in any manner;
2. That Plaintiff be awarded all profits of Defendants plus all losses of Plaintiff, the exact sum to be proven at time of trial, or, if elected before final judgment, statutory damages as available under the Copyright Act, 17 U.S.C. § 101 *et seq.*;
3. That Plaintiff be awarded its attorneys' fees as available under the Copyright Act, 17 U.S.C. § 101 *et seq.*;

4. That Plaintiff be awarded pre-judgment interest as allowed by law;
5. That Plaintiff be awarded costs of litigation; and
6. That Plaintiff be awarded such further legal and equitable relief as the Court deems proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury in this action pursuant to Federal Rule of Civil Procedure 38 and the Seventh Amendment of the Constitution.

Dated: June 21, 2017

Respectfully submitted,

/s/C. Yong Jeong _____

C. Yong Jeong, Esq.

Amy Choe, Esq.

Attorneys for Plaintiff